

# 2022 Financial Statements



College of Speech and  
Hearing Health Professionals  
of British Columbia

Financial Statements

**COLLEGE OF SPEECH AND HEARING  
HEALTH PROFESSIONALS OF BC**

And Independent Auditor's Report thereon

Year ended March 31, 2023



KPMG LLP  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of College of Speech and Hearing Health Professionals of BC

### ***Opinion***

We have audited the financial statements of College of Speech and Hearing Health Professionals of BC (the "College"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants

Vancouver, Canada  
June 23, 2023

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

## Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
<b>Assets</b>		
Current assets:		
Cash	\$ 1,500,682	\$ 1,413,367
Accounts receivable	12,154	25,630
Investments, held at amortized cost (note 2)	1,120,000	270,000
Prepaid expenses and deposits	15,877	3,221
	<u>2,648,713</u>	<u>1,712,218</u>
Investments, held at amortized cost (note 2)	-	800,000
Capital assets (note 3)	4,432	6,134
Intangible assets (note 4)	87,123	163,097
	<u>\$ 2,740,268</u>	<u>\$ 2,681,449</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 62,715	\$ 74,142
Deferred revenue	1,883,300	1,625,570
Current portion of deferred lease inducement	26,917	23,048
	<u>1,972,932</u>	<u>1,722,760</u>
Deferred lease inducement	15,394	42,312
	<u>1,988,326</u>	<u>1,765,072</u>
Net assets:		
Unrestricted	560,387	647,146
Invested in capital assets and intangible assets (note 6)	91,555	169,231
Internally restricted for hearings	100,000	100,000
	<u>751,942</u>	<u>916,377</u>
Commitments (note 7)		
	<u>\$ 2,740,268</u>	<u>\$ 2,681,449</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Jack MacDermot, Board Chair



Jon Waterhouse, Board Vice-Chair

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

## Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Unrestricted	Invested in capital assets and intangible assets <small>(note 6)</small>	2023	2022
<b>Revenue:</b>				
Registration and certification fees	\$ 1,843,203	\$ -	\$ 1,843,203	\$ 1,506,224
Interest	7,546	-	7,546	8,563
	1,850,749	-	1,850,749	1,514,787
<b>Expenses:</b>				
Board and governance	98,988	-	98,988	139,795
Amortization	-	94,476	94,476	59,425
Finance and administration	403,637	-	403,637	344,982
Inquiry and discipline	107,277	-	107,277	108,636
Quality assurance and professional practice	171,599	-	171,599	121,001
Registration	85,530	-	85,530	61,953
Wages	1,053,677	-	1,053,677	779,694
	1,920,708	94,476	2,015,184	1,615,486
Excess (deficiency) of revenue over expenses	\$ (69,959)	\$ (94,476)	\$ (164,435)	\$ (100,699)

See accompanying notes to financial statements.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

	Unrestricted	Invested in capital assets and intangible assets (note 6)	Internally restricted for hearings	2023	2022
Net assets, beginning of year	\$ 647,146	\$ 169,231	\$ 100,000	\$ 916,377	\$ 1,017,076
Deficiency of revenue over expenses	(69,959)	(94,476)	-	(164,435)	(100,699)
Purchase of intangible assets	(16,800)	16,800	-	-	-
Net assets, end of year	\$ 560,387	\$ 91,555	\$ 100,000	\$ 751,942	\$ 916,377

See accompanying notes to financial statements.



# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

## Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (164,435)	\$ (100,699)
Items not involving cash:		
Amortization of capital assets	1,702	2,570
Amortization of intangible assets	92,774	56,855
Amortization of lease inducement	(23,049)	(19,178)
	(93,008)	(60,452)
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	13,476	(13,231)
Increase in prepaid expenses and deposit	(12,656)	(317)
(Decrease) increase in accounts payable and accrued liabilities	(11,427)	6,888
Increase in deferred revenue	257,730	276,770
	154,115	209,658
Investments:		
Proceeds on maturity of investments	1,070,000	1,654,000
Purchase of investments	(1,120,000)	(1,620,000)
Purchase of intangible assets	(16,800)	(25,150)
	(66,800)	8,850
Increase in cash	87,315	218,508
Cash, beginning of year	1,413,367	1,194,859
Cash, end of year	\$ 1,500,682	\$ 1,413,367

See accompanying notes to financial statements.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2023

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## Nature of operations

The College of Speech and Hearing Health Professionals of BC (the "College"), which operates in British Columbia, is a not-for-profit organization founded pursuant to the Health Professionals Act and the Regulations for Speech and Hearing Health Professionals. The College acts as the regulatory body governing Audiologists, Speech-Language Pathologists, and Hearing Instrument Practitioners by setting the ethical and practice standards for the above noted professionals. The College is a non-profit organization as defined under the Income Tax Act and therefore is not subject to income taxes.

Subsequent to year-end, the Ministry of Health of the Province of British Columbia confirmed that legal amalgamation of 11 British Columbia health profession regulatory colleges, including the College, will be completed before the end of June 2024. The colleges are jointly developing a plan and process for moving forward with the amalgamation. The College will continue its current operations until the amalgamation. As a result, these financial statements have been prepared assuming the College will continue as a going concern for the next fiscal year.

## 1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

### (a) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Repairs and maintenance costs are recorded as expenses. Amortization is computed as follows:

Asset	Basis	Rate
Computer	Declining balance	25% - 50%
Office equipment	Declining balance	15%

### (b) Intangible assets:

Intangible assets consist of information technology system development costs and are recorded at cost less accumulated amortization. Maintenance costs are recorded as expenses. Amortization is computed on a straight-line basis over the five year estimated useful life.

### (c) Impairment of long-lived assets:

When a long-lived asset no longer fully or partially contributes to the College's ability to provide services, the excess of its carrying amount over its fair value or replacement cost will be recognized as an expense in the statement of operations.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2023

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## 1. Significant accounting policies (continued):

### (d) Deferred lease inducement:

The College has entered into lease agreements which included rent-free periods and step rents. The total lease payments over the lease term, including any rent-free periods, are aggregated and allocated over the initial lease term.

Free rent periods provided to the College are recorded as a deferred lease inducement liability and amortized on a straight-line basis over the initial lease term net of the related lease expense.

### (e) Revenue recognition:

Revenue related to registration fees is recognized over the period to which they relate. Registration fees received in advance of the period to which they relate are recorded in deferred revenue.

Fees related to certifications are recognized as revenue when the services are rendered. Fees related to examination and criminal record checks are recognized on a net basis, as these services are provided by third parties. Fees collected in advance of the services being provided are recorded in deferred revenue.

### (f) Internally restricted net assets:

From time to time, the Board of Directors may impose certain restrictions on fund balances. These amounts are presented on the statement of financial position and the statement of changes in net assets as internally restricted funds. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. As at March 31, 2023, the internally restricted net assets are for hearing costs related to Discipline Committee or Registration Committee matters, as set by the Board of Directors.

### (g) Measurement uncertainty:

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results may differ from those estimates.

### (h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The College has not elected to carry any financial instruments at fair value.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2023

## 1. Significant accounting policies (continued):

### (h) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest rate method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the College determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the College expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## 2. Investments, held at amortized cost:

	2023	2022
Term deposit with interest rate of 3.00% per annum, and maturing on October 21, 2023	\$ 320,000	\$ -
Term deposit with interest rate of 4.5% per annum, and maturing on October 21, 2023	800,000	-
Term deposit with interest rate of 0.30% per annum, and maturing on September 14, 2022	-	270,000
Term deposit with interest rate of 0.95% per annum, and maturing on September 14, 2024	-	800,000
Total investments	1,120,000	1,070,000
Less: current portion of investments	1,120,000	270,000
Long-term investments	\$ -	\$ 800,000

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2023

### 3. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Computer	\$ 92,912	\$ 91,290	\$ 1,622	\$ 2,828
Office equipment	16,211	13,401	2,810	3,306
	\$ 109,123	\$ 104,691	\$ 4,432	\$ 6,134

### 4. Intangible asset:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Information technology system	\$ 240,521	\$ 153,398	\$ 87,123	\$ 163,097

### 5. Bank indebtedness:

The College has available an operating line of credit with a financial institution in the amount of \$30,000 (2022 - \$30,000), bearing interest at the bank's prime rate plus 2% per annum. As at March 31, 2023 and 2022, the College had no outstanding balance on the operating line of credit. The operating line of credit is secured by a general security agreement over the assets and future assets of the College.

### 6. Net assets invested in capital assets and intangible assets:

(a) Net assets invested in capital assets and intangible assets is calculated as follows:

	2023	2022
Intangible assets	\$ 87,123	\$ 163,097
Capital assets	4,432	6,134
	\$ 91,555	\$ 169,231

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2023

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## 6. Net assets invested in capital assets and intangible assets (continued):

(b) Deficiency of revenue over expenses:

	2023	2022
Amortization of capital assets and intangible assets	\$ (94,476)	\$ (59,425)

(c) Net change in invested in capital assets and intangible assets:

	2023	2022
Purchase of intangible assets	\$ 16,800	\$ 25,150

## 7. Commitments:

The College has an operating lease commitment related to its current premises. The minimum annual lease payments scheduled for the next two years are as follows:

2024	\$ 120,000
2025	90,000
	\$ 210,000

The College has the option to terminate the lease with six months written notice to lessor in the event that, by order of the Ministry of Health or any other governmental authority having jurisdiction, the College is amalgamated with another college or regulatory body, and ceases to exist or is required to relocate.

## 8. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating requirements and ensuring that it invests a portion of its term deposits that can be readily converted into cash. The College prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

# COLLEGE OF SPEECH AND HEARING HEALTH PROFESSIONALS OF BC

Notes to Financial Statements

Year ended March 31, 2023

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## 8. Financial risks (continued):

### (b) Credit risk:

The College has limited exposure to credit risk associated with its cash, term deposits and accounts receivable. The College is not exposed to significant credit risk as the majority of receivables are due from practicing registrants. Cash and term deposits are held with a Canadian credit union. The College's maximum exposure to credit risk is limited to the carrying amount of these balances in the financial statements.

### (c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The fair values of fixed rate financial instruments are subject to change, since fair values fluctuate inversely with changes in market interest rates. The cash flows related to floating rate financial instruments change as market interest rates change. The College's investments earn interest based on fixed rates (note 2).

The College is not exposed to any currency, price, or other market risks.

There have been no significant changes to the above risk exposures from the previous period.

**College of Speech  
and Hearing Professionals  
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